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DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

INTERNAL TRADE BRANCH

REGIONAL CHANGES

IN

LIVING COSTS

(Canada, August 1939 to April 1941)

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DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
INTERNAL TRADE BRANCH

| | |
|-------------------------------|---|
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REGIONAL CHANGES IN LIVING COSTS
(Canada, August 1939 to April 1941)

Regional index numbers of living costs recently prepared by the Dominion Bureau of Statistics have followed very closely the movements of the Dominion cost of living index since the outbreak of war. The Dominion index advanced 7.7 per cent between August 1939 and April 1941. Corresponding increases in the indexes of eight cities taken as representative of the principal geographic areas of the Dominion have ranged from 5.7 per cent in the case of Edmonton to 10.1 per cent for Montreal. Thus in none of the eight cities has the rise differed from the rise in the Dominion as a whole by more than 2.4 per cent. Since these eight cities include the majority of the key merchandise distributing centres of the Dominion this is important evidence of underlying similarity in retail price behaviour throughout Canada. Of course this does not preclude the possibility of material differences in actual prices of commodities, but it does suggest that percentage changes in retail price levels since the outbreak of war have been closely comparable in all areas of the Dominion.

Appreciable divergences from Dominion indexes were most frequent for rents and fuel which have been influenced to a considerable extent by local conditions and wartime measures. As an example, the net change in Halifax rents has been small, due to the control of rents in that city, while in Montreal and Saskatoon rental indexes have advanced by more than 8 per cent. In the case of Montreal, provincial and municipal sales taxes have introduced a further local condition affecting living cost movements.

Wartime increases in retail food price indexes have ranged from 8.1 per cent for Edmonton to 14.0 per cent for Halifax. The Dominion retail food price index has advanced almost 11 per cent in the same period. In four of the eight cities April 1941 food indexes were slightly below those for December 1940, and only in Vancouver was the food index appreciably higher than in December. This recent rise in Vancouver was related primarily to changes in meat prices.

Movements in fuel and lighting indexes varied all the way from an increase of 13.7 per cent for Montreal to a decline of 2.0 per cent for Edmonton. The decrease for Edmonton was due to a substantial reduction in rates on fuel gas for domestic consumption. The Dominion fuel and lighting index moved up exactly 10 per cent between August 1939 and April 1941.

Percentage changes in city rent indexes ranged between a decline of 0.6 for Vancouver and an increase of 8.1 for Montreal and Saskatoon. The slight decline in Vancouver resulted from a weaker tendency in apartment rentals late in 1939 prior to the establishment of rent control. A Dominion index of residential rentals rose 3.8 per cent between August 1939 and April 1941, and the results of the May 1941 rental survey will likely increase this figure by a small amount.

Higher prices for woollen and leather goods have been mainly responsible for increases in clothing prices which have been more marked for men's than for women's apparel. Since August 1939, increases in city retail clothing price indexes have varied from 9.5 per cent for Winnipeg to 17.3 per cent for Montreal. The corresponding Dominion clothing index showed a rise of 14.2 per cent.

Changes in home furnishings and services have shown regional differences similar to clothing but due to the retarding influence of home service maintenance costs (telephone and laundry) percentage increases have been less. They have varied from 8.5 per cent for Winnipeg to 13.1 per cent for Montreal and Edmonton. The Dominion index of furnishings and services has increased 10.7 per cent.

The miscellaneous living costs group is largely composed of service costs such as those for health maintenance, transportation, recreation, and insurance. Changes within these groups are comparatively infrequent, and they have shown very little reaction to wartime conditions so far. Percentage increases in miscellaneous living costs have ranged from 1.1 for Vancouver to 2.7 for Saint John. This compared with an increase of 1.6 per cent in the Dominion index.

COMMENTS ON THE INDEXES

The city index numbers of living costs published for the first time in this bulletin have been constructed to provide regional cost of living records as required by Order-in-Council 7440. These new indexes have been patterned after the Bureau's revised cost of living index for the Dominion, but the weighting systems are based upon actual expenditure records of a representative group of wage-earner families in each city for which an index has been constructed. The only material difference is that the city indexes have been placed temporarily upon the base period August 1939=100, in order to provide as quickly as possible a wartime record of regional cost of living movements. The Bureau's official base period continues to be 1935-1939.

Until further notice, the complete city indexes will be published every second month in the monthly bulletin "Prices and Price Indexes", but retail food price indexes will continue to be published monthly. The food sections of the city cost of living indexes are the same as those described in an earlier bulletin "City Index Numbers of Retail Food Prices, 1935-1940" issued in January 1941.

A detailed record of the weighting system used in constructing city cost of living indexes will be available shortly in mimeograph form and may be obtained upon request. A summary of the percentage group weights used in constructing indexes designed to be typical of each city is shown below. A striking similarity in city living expenditure patterns will be observed from this table which has been based directly upon living expenditure records collected from representative wage-earner families in these cities for the year ending September 1938.

Percentage Distribution of Wage-Earner Family Living Expenditures

(Year ending September, 1938)

[illegible]

INDEX NUMBERS OF LIVING COSTS IN EIGHT CITIES, AUGUST 1939 TO APRIL 1941.

(August 1939=100)

| | Hali- fax | Saint John | Mont- real | Tor- onto | Winni- peg | Saska- toon | Edmon- ton | Van- couver |
|--|--------------|---------------|---------------|--------------|---------------|----------------|---------------|----------------|
|--|--------------|---------------|---------------|--------------|---------------|----------------|---------------|----------------|

GENERAL COST OF LIVING

| | | | | | | | | |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|
| <u>1939</u> | | | | | | | | |
| August | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| October | 102.9 | 102.5 | 104.1 | 102.5 | 102.8 | 103.6 | 102.8 | 102.1 |
| December | 103.3 | 103.4 | 104.7 | 103.2 | 102.9 | 104.8 | 103.8 | 102.6 |
| <u>1940</u> | | | | | | | | |
| February | 103.4 | 103.0 | 104.4 | 102.5 | 102.6 | 104.6 | 103.1 | 102.9 |
| April | 104.9 | 104.2 | 105.4 | 103.2 | 103.3 | 105.1 | 103.7 | 103.4 |
| June | 105.5 | 104.1 | 106.3 | 103.4 | 103.2 | 104.7 | 103.8 | 103.0 |
| August | 107.5 | 105.4 | 107.1 | 104.2 | 104.6 | 105.3 | 103.7 | 103.7 |
| October | 107.0 | 107.0 | 108.4 | 105.1 | 105.2 | 106.9 | 104.2 | 104.0 |
| December | 108.0 | 108.7 | 109.6 | 105.8 | 106.3 | 108.6 | 105.6 | 105.3 |
| <u>1941</u> | | | | | | | | |
| February | 107.9 | 108.6 | 110.0 | 106.0 | 106.0 | 108.7 | 105.5 | 106.1 |
| April | 107.8 | 108.5 | 110.1 | 106.3 | 106.2 | 109.0 | 105.7 | 106.5 |

FOODS

| | | | | | | | | |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|
| <u>1939</u> | | | | | | | | |
| August | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| October | 106.6 | 106.4 | 108.8 | 106.5 | 107.6 | 110.6 | 108.3 | 106.3 |
| December | 106.5 | 107.9 | 107.3 | 106.2 | 106.3 | 111.4 | 109.1 | 106.0 |
| <u>1940</u> | | | | | | | | |
| February | 106.8 | 106.1 | 106.5 | 103.6 | 105.6 | 109.8 | 105.9 | 106.1 |
| April | 108.1 | 106.2 | 107.1 | 104.1 | 105.6 | 109.0 | 106.8 | 106.0 |
| June | 106.5 | 105.6 | 105.8 | 103.5 | 104.6 | 105.5 | 106.4 | 104.5 |
| August | 112.3 | 108.4 | 106.0 | 104.5 | 107.9 | 106.1 | 104.6 | 105.8 |
| October | 112.0 | 107.9 | 107.8 | 105.9 | 107.0 | 106.6 | 105.2 | 105.6 |
| December | 115.2 | 112.5 | 111.1 | 107.6 | 110.3 | 112.1 | 109.9 | 109.0 |
| <u>1941</u> | | | | | | | | |
| February | 114.4 | 111.4 | 111.6 | 108.0 | 109.0 | 111.5 | 108.2 | 110.9 |
| April | 114.0 | 111.2 | 112.0 | 108.8 | 109.9 | 112.5 | 108.1 | 112.0 |

RENT

| | | | | | | | | |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|
| <u>1939</u> | | | | | | | | |
| August | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| October | 103.0 | 100.0 | 103.9 | 100.8 | 99.7 | 100.5 | 100.3 | 99.1 |
| December | 103.0 | 100.0 | 103.9 | 100.8 | 99.7 | 100.5 | 100.3 | 99.1 |
| <u>1940</u> | | | | | | | | |
| February..... | 103.0 | 100.0 | 103.9 | 100.8 | 99.7 | 100.5 | 100.3 | 99.1 |
| April | 103.0 | 100.0 | 103.9 | 100.8 | 99.7 | 100.5 | 100.3 | 99.1 |
| June | 106.8 | 100.0 | 109.3 | 102.9 | 101.2 | 104.0 | 100.3 | 99.2 |
| August | 106.8 | 100.0 | 109.3 | 102.9 | 101.2 | 104.0 | 100.3 | 99.2 |
| October | 103.4 | 105.9 | 108.1 | 102.9 | 103.0 | 108.1 | 100.0 | 99.4 |
| December | 103.4 | 105.9 | 108.1 | 102.9 | 103.0 | 108.1 | 100.0 | 99.4 |
| <u>1941</u> | | | | | | | | |
| February | 103.4 | 105.9 | 108.1 | 102.9 | 103.0 | 108.1 | 100.0 | 99.4 |
| April | 103.4 | 105.9 | 108.1 | 102.9 | 103.0 | 108.1 | 100.0 | 99.4 |

| | Halifax | Saint John | Montreal | Toronto | Winnipeg | Saskatoon | Edmonton | Vancouver |
|--------------------------------------|---------|------------|----------|---------|----------|-----------|----------|-----------|
| <u>FUEL AND LIGHTING</u> | | | | | | | | |
| 1939 | | | | | | | | |
| August | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| October | 102.3 | 102.8 | 107.0 | 105.9 | 104.6 | 102.7 | 104.9 | 103.5 |
| December | 102.3 | 102.8 | 108.5 | 105.9 | 104.6 | 102.7 | 104.9 | 103.5 |
| 1940 | | | | | | | | |
| February | 102.3 | 102.8 | 108.8 | 106.7 | 104.6 | 107.0 | 104.9 | 108.8 |
| April | 102.3 | 102.8 | 108.5 | 107.5 | 104.6 | 107.0 | 104.9 | 108.8 |
| June | 104.1 | 102.8 | 109.2 | 106.3 | 104.6 | 107.0 | 104.9 | 108.8 |
| August | 104.1 | 104.3 | 113.6 | 110.0 | 104.6 | 107.0 | 104.9 | 108.8 |
| October | 104.1 | 105.1 | 113.7 | 110.0 | 105.5 | 107.0 | 98.0 | 108.8 |
| December | 104.1 | 105.1 | 113.7 | 110.0 | 105.5 | 107.0 | 98.0 | 108.8 |
| 1941 | | | | | | | | |
| February | 104.1 | 106.5 | 113.7 | 110.0 | 105.5 | 107.0 | 98.0 | 108.8 |
| April | 104.9 | 105.5 | 113.7 | 110.8 | 105.5 | 107.0 | 98.0 | 108.8 |
| <u>CLOTHING</u> | | | | | | | | |
| 1939 | | | | | | | | |
| August | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| October | 100.0 | 100.0 | 100.1 | 99.9 | 100.3 | 100.5 | 100.0 | 100.6 |
| December | 101.8 | 102.1 | 103.9 | 104.3 | 102.9 | 104.5 | 104.3 | 104.6 |
| 1940 | | | | | | | | |
| February | 101.8 | 102.1 | 103.9 | 104.3 | 102.9 | 104.5 | 104.3 | 104.6 |
| April | 110.3 | 110.5 | 109.7 | 108.3 | 107.9 | 109.5 | 108.1 | 108.1 |
| June | 110.2 | 110.6 | 110.6 | 107.3 | 106.9 | 109.6 | 109.7 | 109.3 |
| August | 110.2 | 110.6 | 110.6 | 107.3 | 106.9 | 109.6 | 109.7 | 109.3 |
| October | 112.0 | 114.1 | 116.4 | 111.4 | 109.4 | 112.7 | 113.9 | 111.2 |
| December | 112.2 | 115.4 | 116.5 | 111.7 | 109.3 | 112.9 | 114.2 | 111.4 |
| 1941 | | | | | | | | |
| February | 112.5 | 115.7 | 117.1 | 111.8 | 109.6 | 113.9 | 114.7 | 112.8 |
| April | 112.6 | 115.8 | 117.3 | 112.1 | 109.5 | 114.0 | 115.0 | 112.9 |
| <u>HOME FURNISHINGS AND SERVICES</u> | | | | | | | | |
| 1939 | | | | | | | | |
| August | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| October | 100.0 | 100.1 | 99.9 | 100.0 | 99.9 | 100.0 | 99.8 | 100.0 |
| December | 103.0 | 103.0 | 104.6 | 102.6 | 102.9 | 104.7 | 103.9 | 103.5 |
| 1940 | | | | | | | | |
| February | 103.2 | 103.0 | 104.7 | 102.9 | 103.0 | 104.9 | 104.1 | 102.1 |
| April | 106.1 | 106.5 | 107.3 | 103.6 | 104.5 | 106.5 | 105.7 | 103.9 |
| June | 106.9 | 107.2 | 107.8 | 104.4 | 104.8 | 106.8 | 106.4 | 104.0 |
| August | 106.9 | 107.1 | 109.2 | 104.5 | 104.6 | 106.9 | 106.4 | 103.6 |
| October | 108.7 | 109.6 | 111.0 | 107.2 | 106.9 | 110.1 | 109.6 | 105.3 |
| December | 109.7 | 110.7 | 111.8 | 108.5 | 107.8 | 110.8 | 109.7 | 106.9 |
| 1941 | | | | | | | | |
| February | 110.3 | 111.2 | 112.5 | 108.7 | 108.6 | 111.8 | 110.4 | 107.4 |
| April | 110.7 | 111.9 | 113.1 | 108.5 | 108.5 | 112.3 | 113.1 | 107.6 |
| <u>MISCELLANEOUS</u> | | | | | | | | |
| 1939 | | | | | | | | |
| August | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| October | 100.5 | 100.5 | 100.4 | 100.5 | 100.3 | 100.4 | 100.3 | 100.3 |
| December | 100.6 | 100.7 | 100.6 | 100.9 | 100.3 | 100.4 | 100.2 | 100.3 |
| 1940 | | | | | | | | |
| February | 100.4 | 101.5 | 100.4 | 100.8 | 100.2 | 100.1 | 100.0 | 100.2 |
| April | 100.4 | 101.5 | 100.4 | 100.8 | 100.2 | 100.1 | 99.9 | 100.2 |
| June | 100.4 | 101.5 | 100.4 | 100.8 | 100.4 | 100.1 | 99.9 | 99.6 |
| August | 101.9 | 102.7 | 102.2 | 102.0 | 101.8 | 101.8 | 101.6 | 101.0 |
| October | 101.9 | 102.7 | 102.2 | 101.4 | 102.0 | 101.8 | 101.6 | 101.0 |
| December | 101.9 | 102.7 | 102.2 | 101.4 | 102.0 | 101.8 | 101.6 | 101.0 |
| 1941 | | | | | | | | |
| February | 102.0 | 102.9 | 102.5 | 101.8 | 102.2 | 102.1 | 102.5 | 101.3 |
| April | 101.7 | 102.7 | 102.1 | 101.6 | 102.0 | 101.8 | 102.2 | 101.1 |

